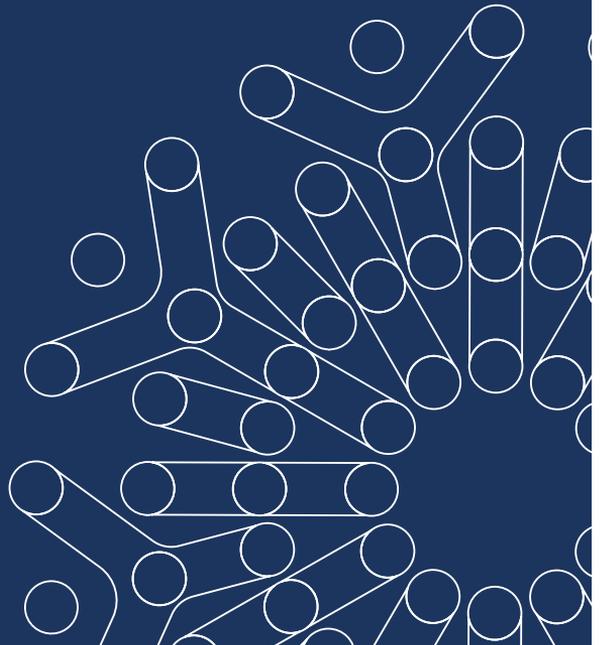
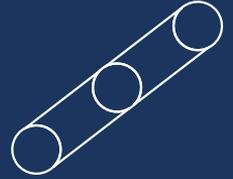
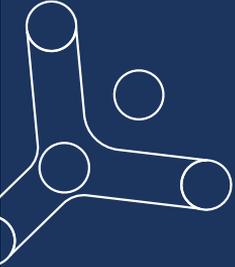




INDIGENOUS LAND CORPORATION OVERVIEW

1



ILC Purpose

The ILC's purpose, as defined in section 191B of the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), is:

- a) *To assist Aboriginal persons and Torres Strait Islanders to acquire land; and*
- b) *To assist Aboriginal persons and Torres Strait Islanders to manage Indigenous-held land so as to provide economic, environmental, social or cultural benefits for Aboriginal persons and Torres Strait Islanders.*

The ILC's legislated functions and powers are set out on the opposite page.

Based on the ILC's purpose, the corporation has one outcome in the ILC Budget Statements 2017-18 (Prime Minister and Cabinet Portfolio Budget Statements).

Outcome 1:

Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through land acquisition and management.

The ILC's operations are largely funded by revenue from the Aboriginal and Torres Strait Islander Land Account (Land Account). The ILC currently receives \$45 million annually, in 2010 values, from this source—\$52.3 million in the year under review.

The ILC sets out its strategies for achieving this outcome in the National Indigenous Land Strategy (NILS), a three-to-five year policy framework, required by section 191N of the ATSI Act. The fifth substantive NILS, for the period from 2018 to 2022, was tabled in Parliament in February 2018, after extensive consultations with Indigenous stakeholders in the first half of this financial year. Regional Indigenous Land Strategies were also developed during the year, and the regions for these redefined to capture important ecological and demographic

sectors across the continent. Four new regions will be the focus of ILC operations: Northern Australia, Desert Australia, South-West Australia and South-East Australia. These documents are available on the ILC website.

The ILC also publishes an annual Corporate Plan, with more detailed strategies, as required by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This is also available on the ILC website.

The ILC has committed to perform its functions to support Australian Government priorities in Indigenous Affairs (to the extent allowed by its legislation) including Closing the Gap between Indigenous and other Australians. Through its land acquisition and land management activities, the ILC complements the Indigenous Advancement Strategy, including the recently launched Indigenous Business Sector Strategy, managed by the Department of the Prime Minister and Cabinet (PM&C). Collectively ILC projects provide training and jobs for Indigenous Australians, support land-based businesses, assist Indigenous people to achieve economic and social benefits from management of their land and native title rights, and help Indigenous people to care for land with significant cultural or environmental values. ILC projects also build Indigenous capacity to benefit from land ownership and management.

The ILC's land management function relates to all Indigenous-held land, however it was acquired. The *COAG Investigation into Indigenous Land Administration and Use* (December 2015) found that, at June 2015, an estimated 40 per cent of the Australian land mass was subject to Indigenous rights and interests, under native title and statutory Indigenous land rights regimes, and a further 37 per cent was under native title claim. PM&C currently estimates that Indigenous interests in land may cover up to 60 per cent of the continent. The rights flowing from these interests vary considerably, as does the capability of the land associated with these rights.



The ILC's legislated functions and powers

Functions

The *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) provides that the ILC has the following functions (s. 191C):

- a) The land acquisition functions referred to in section 191D;
- b) The land management functions referred to in section 191E;
- c) Such other functions as are conferred on the ILC by this ATSI Act;
- d) to do anything incidental to or conducive to the performance of any of the preceding functions.

Powers

Section 191H (1) of the ATSI Act provides that the ILC has the power to do all things necessary or convenient for, or in connection with, the performance of its functions.

Section 191H (2) provides that the powers of the ILC under section 191H (1) include, but are not limited to, the following powers:

- a) to enter into contracts and agreements;
- b) to invest money of the ILC;
- c) to appoint agents and attorneys and act as an agent for other persons;
- d) to form, and participate in the formation of, companies;
- e) to subscribe for and purchase shares in, and debentures and securities of, companies;
- f) to enter into partnerships;
- g) to participate in joint ventures and arrangements for the sharing of profits;
- h) accept gifts, grants, bequests and devises made to it;
- i) to act as a trustee of money and other property vested in it on trust;
- j) to charge for the provision of services by it.

The ILC has the power to form subsidiaries to perform functions corresponding to the ILC's functions (s. 191G).

Section 4(2) of the ATSI Act defines a subsidiary in the same manner as subsidiary is determined under the Corporations Act 2001.

Section 191D (1) The land acquisition functions of the ILC are:

- a) to grant interests in land to Aboriginal or Torres Strait Islander corporations;
- b) to acquire by agreement interests in land for the purpose of making grants under paragraph (a);
- c) to make grants of money to Aboriginal or Torres Strait Islander corporations for the acquisition of interests in land;
- d) to guarantee loans made to Aboriginal or Torres Strait Islander corporations for the acquisition of interests in land.

Section 191E (1) The land management functions of the ILC are:

- a) to carry on or arrange land management activities in relation to Indigenous-held land under the agreements with holders of the land;
- b) to carry on or arrange land management activities in relation to land held by the ILC;
- c) to carry on other land management activities in relation to Indigenous-held land;
- d) to make grants of money for land management activities in relation to Indigenous-held land;
- e) to make loans of money (whether secured or unsecured) for the purpose of carrying on land management activities in relation to Indigenous-held land;
- f) to guarantee loans made for carrying on land management activities in relation to Indigenous-held land.

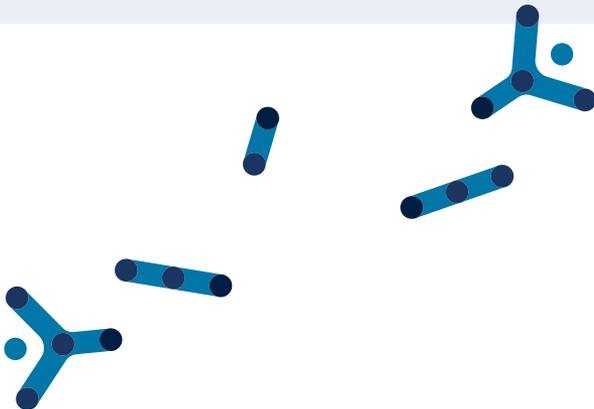
Under **section 191F (3)**, the functions of the ILC are additional to, and not instead of, any function conferred on a body or person by or under:

- a) Any other law of the Commonwealth, or
- b) A law of a State or Territory.

Legislative change

At 30 June 2018, three Bills affecting the ILC were before Parliament:

- > Aboriginal and Torres Strait Islander Land and Sea Future Fund Bill 2018
- > Aboriginal and Torres Strait Islander Land and Sea Future Fund (Consequential Amendments) Bill 2018
- > Aboriginal and Torres Strait Islander Amendment (Indigenous Land Corporation) Bill 2018.



If legislated, they will collectively achieve long-held goals of the ILC:

- > replacing the Land Account with an Aboriginal and Torres Strait Islander Land and Sea Future Fund; this fund will have broader investment parameters than the Land Account and be managed by the Future Fund Management Agency and Board of Guardians
- > extending the ILC's sphere of operations beyond land (as conventionally understood) to both fresh and salt water.

Further information is provided in the Annual Performance Statement under KPI 6.

Achieving the ILC's Purpose

In 2017-18 the ILC achieved its purpose through:

- > its principal land acquisition and land management program, *Our Land Our Future*
- > management of the Real Jobs Program in the Northern Territory on behalf of the Australian Government
- > operation of three wholly-owned subsidiary companies.

Our Land Our Future

The *Our Land Our Future* Program, launched in March 2015, encompasses both land acquisition and land management. It enables Indigenous groups to bring forward land-based ideas at any time and to work up these projects collaboratively with the ILC, benefiting from the corporation's expertise, investment and ability to attract project partners across the government, non-government and private sectors. Prospective projects are subject to due diligence and assessed on their merits (sustainability, expected Indigenous benefits), relative to other projects in assessment, and in the context of resources available in the ILC.

A major refresh of the program was launched on 1 July 2017, responding to ILC Board strategies. The refreshed program offers a range of flexible investment options. The ILC aims to limit grant funding to mostly smaller projects, while new products are available to underpin larger strategic projects including repayable grants and joint venture or equity arrangements.

In recent financial years the ILC has allocated around \$10 million a year to *Our Land Our Future* (2015-18). In June 2018 the Board agreed to double this allocation for the 2018-19 year. This increase in allocation marks an important transition for the ILC, from providing Indigenous benefits through the operation of subsidiary companies to a much greater emphasis on partnering with Indigenous

groups including joint business ventures to achieve its core mandate of delivering benefits through land acquisition and land management functions.

Real Jobs Program, NT

Since 2007 the ILC has received funding from the Federal Budget to manage the Real Jobs Program in the Northern Territory. This provides training positions for up to 150 unemployed Indigenous people annually, to build their capacity and assist their transition into jobs in the land management, tourism and agribusiness sectors.

ILC subsidiaries

With the ILC, the corporation's three wholly-owned subsidiaries form the ILC Group. ILC subsidiaries are governed by Part 4A of the ATSI Act and by the *Corporations Act 2001*. Pursuant to section 86 of the PGPA Act, subsidiaries can perform only the functions of the ILC itself, in all cases the management of land owned by the ILC Group or leased from Indigenous owners:

- > **Voyages Indigenous Tourism Australia (Voyages) Pty Ltd** owns and manages Ayers Rock Resort, NT on behalf of the ILC, and manages two other tourism enterprises developed by the ILC
- > **National Centre of Indigenous Excellence (NCIE) Ltd** manages the ILC-developed social enterprise of the same name in Redfern, Sydney, NSW
- > **Australian Indigenous Agribusiness Company (AIA) Pty Ltd**, which employs labour on ILC Group-operated agribusinesses; 14 businesses operated in 2017-18 mainly in the northern Australian beef industry.

Operational parts of AIA (management of the ILC Group's presence in agribusiness) were re-incorporated into the ILC in 2018, pursuant to a Board decision in August 2017 to achieve greater efficiency and alignment of subsidiaries with the parent ILC entity.

This integration also served a significant change in the ILC's agribusiness strategies. In April 2018 the ILC Board approved a set of Agribusiness Sector Investment and Operating Principles to help guide the ILC's future involvement in agribusiness. The corporation is seeking to rebalance its contribution to Indigenous agribusiness, from being predominantly an owner/leaseholder and operator of agribusinesses in the northern Australian cattle industry to playing a greater role in partnering with Indigenous groups to set up businesses in their own right in a range of locations.

Separate reports for each subsidiary are provided in Part 4 of this report, and information on subsidiary governance is in Part 5.